

Technicolor Graphic Services, Inc., South Dakota Operations and Motion Picture Laboratory Technicians, Local 780, and International Photographers of the Motion Picture Industries, Local 666, International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, AFL-CIO, Case 18-CA-7079

July 21, 1982

DECISION AND ORDER

BY MEMBERS JENKINS, ZIMMERMAN, AND
HUNTER

On February 10, 1982, Administrative Law Judge Peter E. Donnelly issued the attached Decision in this proceeding. Thereafter, Respondent filed exceptions and a supporting brief.

Pursuant to the provisions of Section 3(b) of the National Labor Relations Act, as amended, the National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Board has considered the record and the attached Decision in light of the exceptions and brief and has decided to affirm the rulings, findings, and conclusions¹ of the Administrative Law Judge and to adopt his recommended Order.

ORDER

Pursuant to Section 10(c) of the National Labor Relations Act, as amended, the National Labor Relations Board adopts as its Order the recommended Order of the Administrative Law Judge and hereby orders that the Respondent, Technicolor Graphic Services, Inc., South Dakota Operations, Sioux Falls, South Dakota, its officers, agents, successors, and assigns, shall take the action set forth in the said recommended Order, except that the attached notice is substituted for that of the Administrative Law Judge.

¹ We note that no exceptions were filed to the Administrative Law Judge's dismissal of the allegation that Respondent's no-solicitation rule violates the Act.

Member Hunter agrees with the results reached by the Administrative Law Judge on the facts of this case, but finds it unnecessary to pass on or adopt all of the rationale used by the Administrative Law Judge.

In accordance with his dissent in *Olympic Medical Corporation*, 250 NLRB 146 (1980), Member Jenkins would award interest on the backpay based on the formula set forth therein.

APPENDIX

NOTICE TO EMPLOYEES POSTED BY ORDER OF THE NATIONAL LABOR RELATIONS BOARD An Agency of the United States Government

WE WILL NOT maintain, interpret, or enforce work rules so as to preclude employees from engaging in protected concerted activities.

WE WILL NOT reprimand, issue written warnings, or suspend employees because of their protected concerted activity.

WE WILL NOT advise employees that other employees have been disciplined because they engaged in protected concerted activity.

WE WILL NOT threaten to withhold pay increases from employees because of their protected concerted activity.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce our employees in the exercise of their rights guaranteed by Section 7 of the National Labor Relations Act.

WE WILL rescind and expunge from our records the written warnings and notices of disciplinary action against Larry C. Wade, Daniel W. Traut, Brian Berg, Richard C. Wiese, Donald A. Volk, Edward E. Peters, Irene M. De Neui, Diane K. Matzke, and Rick E. Laughlin.

WE WILL make Rick E. Laughlin, Diane K. Matzke, Irene M. De Neui, Edward E. Peters, Daniel W. Traut, and Donald A. Volk whole for any loss of pay, plus interest, which they may have suffered as a result of the discrimination practiced against them.

TECHNICOLOR GRAPHIC SERVICES,
INC., SOUTH DAKOTA OPERATIONS

DECISION

STATEMENT OF THE CASE

PETER E. DONNELLY, Administrative Law Judge: The charge herein was filed on February 9, 1981, by Motion Picture Laboratory Technicians, Local 780, and International Photographers of the Motion Picture Industries, Local 666, International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, AFL-CIO, herein called the Union or the Charging Party. An amended charge was filed by the Union on March 17, 1981. A complaint thereon was issued on March 26, 1981, alleging that Technicolor Graphic Services, Inc., South Dakota Operations, herein called the Employer or Respondent, violated Section 8(a)(1) of the Act by threatening and disci-

pling employees for engaging in protected concerted activity. An answer thereto was timely filed by Respondent. Pursuant to notice, a hearing was held before me at Sioux Falls, South Dakota, on October 20, 1981. Briefs have been timely filed by the General Counsel and Respondent which have been duly considered.

FINDINGS OF FACT

I. EMPLOYER'S BUSINESS

The Employer is a Delaware corporation with an office and place of business in Sioux Falls, South Dakota, where it is engaged in the operation of, and the providing of technical support for, the Earth Resources Observation System, a system which processes landsat satellite data and reproduces copies of this data and aerial photographs for Federal agencies, foreign countries, and the general public. During the calendar year ending December 31, 1980, the Employer derived gross revenues in excess of \$1 million from and for providing services to the United States Government. During the calendar year ending December 31, 1980, Respondent purchased and received at its Sioux Falls, South Dakota, facility, products, goods, and materials valued in excess of \$50,000 directly from points outside the State of South Dakota. The complaint alleges, the answer admits, and I find, that Respondent is an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

II. LABOR ORGANIZATION

The complaint alleges, the answer admits, and I find that the Union is a labor organization within the meaning of Section 2(5) of the Act.

III. THE ALLEGED UNFAIR LABOR PRACTICES

A. Facts

1. Organizational background

The United States Government, operating through the Department of the Interior, leases and equips a facility located outside of Sioux Falls, South Dakota, known as the EROS (Earth Resources Observation System) data center. EROS is a system which processes landsat satellite data and reproduces this data, and aerial photographs, for Federal agencies, foreign countries, and the general public. The overall operation of the facility is monitored by the Department of the Interior under the supervision of Allen H. Watkins, Chief, EROS Data Center, and Glen Landis, Deputy Director, both employees of the Department of the Interior. Respondent, under contract with the Department of the Interior, provides the personnel to furnish the technical expertise necessary to the functioning of the operation. Respondent's operations at the facility are under the supervision of Joe Pfliger, vice president and general manager, and Harold E. Lockwood, vice president and deputy project manager. The Department of the Interior official with responsibility for Respondent's contract is Lloyd M. Van Dyke, contracting officer, central region, in Denver, Colorado.

In 1978, the Union was certified as the collective-bargaining representative of about 100 of Respondent's employees at the facility. The collective-bargaining negotiations for the contract began April 20, 1978, however, at the time of the instant hearing no agreement on a contract had been reached.

2. Allegations of discrimination

Sometime prior to December 10, 1980, pursuant to discussions between Watkins and Pfliger, it was decided to curtail the activities associated with the annual Christmas parties, particularly regarding the consumption of hard liquor, and by memo from Watkins dated December 10, 1980, to all the employees, they were advised of certain guidelines set out therein.¹

Sometime in December 1980, the employees of the Photo Lab were advised by Photo Lab Production Manager Richard Nelson and Photo Lab Assistant Supervisor Douglas Bennie that the Photo Lab Christmas party would be held at 3:15 p.m. on December 24 in the cafeteria and that the employees would be allowed to partake of cookies and coffee. It is undisputed that this policy of individual branch parties was a deviation from past years when multidepartmental parties were held in the conference room with music, dancing, and alcoholic beverages.

On December 24, 1980, at or about 1:30 p.m., due to a chemical spill causing noxious fumes, the Photo Lab employees² were evacuated to the User Service Department where some of them observed a party in progress in a classroom, attended by some 30-40 employees of the Services Application Branch of the User Service Department, and the Technical Illustration Department, who appeared to be eating, drinking wine, and playing party games. The Photo Lab employees thereafter returned to

¹ The body of the memo reads:

President Carter has signed an Executive Order declaring Friday, December 26, a non-work day for Federal employees. As soon as the details of the Executive Order are known we will advise each Contract Project Manager as to its effect on contractor personnel. The Data Center, including the lobby area, will be closed to the public from the close of business December 24 until Monday morning, December 29.

Regarding office parties, I am asking all employees to recognize the EDCEA sponsored Christmas Party at the Holiday Inn on December 13 as the official EDC party. I am not opposed to individual Branch or office get-togethers to exchange holiday greetings; however, I will expect a business-like atmosphere to prevail and the following rules to apply:

1. All employees are reminded of Federal regulations prohibiting alcoholic beverages on Government premises. Please use good judgment to assure a safe and happy holiday.

2. Uncovered food and beverage containers shall not be taken into the hallways or the lobby.

3. Any trash generated shall be cleared and properly disposed of prior to leaving the building. No custodial services will be provided after December 24 until Monday, December 29.

4. Music shall be limited to background music only. Please, no stereos or loud parties.

5. Decorations shall not include any open flame or other high-heat producing devices.

On behalf of the EDC management staff, I wish every employee a safe and very happy holiday season.

² The Photo Lab, with some 45-60 employees, is the largest department at the facility.

the Photo Lab at 3:15 p.m., at which time the Photo Lab employees had their party in the cafeteria.

On December 31, 1980, New Year's Eve, it appears that Federal employees were released in the afternoon, sometime prior to the normal quitting time of 4:15 p.m. It also appears that Faye Gunderson, a secretary employed by Respondent, who was working with the Federal employees, may have also have left at an earlier time. However, it does not appear that Respondent was aware of her early departure. In fact, Lockwood, when approached by the Department of the Interior supervisors about releasing all employees early, took the position that since the Photo Lab equipment could not be shut down in time to let those employees out early, none of Respondent's employees should. Lockwood testified that he advised several sections that they were not to leave early, and that to his knowledge they did not, although the Department of the Interior employees did.

Thereafter, having received several complaints about the events of both Christmas Eve and New Year's Eve, a letter of protest was drafted by certain members of the employee committee³ and sent to both Van Dyke and H. William Menard, director, U.S. Geological Survey National Center in Reston, Virginia. These letters were identical and read:

On Dec. 10, 1980 this memo (attachment A) was distributed to employees at the EPOD Data Center, a U.S.G.S. facility at Sioux Falls, S. Dak. It was signed by the Federal Chief of the Data Center, Allen Watkins. [See fn. 1.]

On Dec. 18, 1980 the minutes of a meeting with production heads of both government and Technicolor (the primary contractor) was posted (attachment B). Please note the reference to the Photo Lab people. The people in the Photo Lab represent the largest group and the strongest members in our bargaining unit, represented by the International Alliance of Theatrical and Stage Employees.

On Dec. 24, 1980, Christmas Eve, we were ordered to stay working until 3:15, at which time we were allowed to go to the cafeteria for a short party. We were told there would be absolutely no alcohol at the party, the Data Center being a government building. But, when we were allowed to leave the Photo Lab at 1:30 that afternoon because fumes from the a chem lab accident had contaminated the Photo Lab we observed other areas already well into Christmas partying, complete with open drinking (see inclosed photos). We know the parties occurred with the full knowledge and compliance of Data Center administration and contract supervisors because many of them were attending the parties.

On Dec. 31, 1980, New Years Eve, Allen Watkins allowed all personnel in the building who had their own transportation to go home at 2:00 p.m.—all except employees of the Photo Lab.

³ In addition to the employee negotiating committee, each department elected one representative to serve on an employee committee for the purpose of resolving employee complaints in the bargaining unit.

These are a few in a series of events that have happened to employees in the Photo Lab. We feel we are being discriminated against and are being treated unfairly.

As you may know, the bargaining unit has already won two unfair labor practice charges against Technicolor and two more are in process. It is circumstances such as these that have caused continuing labor problems and production problems at the Data Center.

We trust that your good judgment will be used to help stop these practices and renew a harmonious working relationship between government administrators, contractor supervisors and contractor employees.

The letter was signed by employees Larry C. Wade, Daniel Traut, Brian Berg, Richard C. Wiese, Irene M. DeNeui, Diane K. Matzke, and Rick E. Laughlin, Edward Peters, and Donald Volk, all members of the employee committee.

The December 18, 1980, minutes referred to in the above letter alludes to that portion of the minutes which read:

Christmas Party—further clarification of official position—expanded brown bag lunches are OK—be sure to clean up after lunch. The Photo Lab is having problem in locating a place to have their lunch—(someone commented that if the Lab produced 5,000 frames per day between now and then, they could have their party anywhere they wanted!).

On January 23, 1981, about 3 p.m., Respondent called a meeting of those seven letter signers, who worked on the day shift; i.e., Wade, DeNeui, Matzke, Laughlin, Berg, Traut, and Wiese. The meeting was also attended by Pfliger and Lockwood. Pfliger told the employees that they should not have contacted Respondent's customer (U.S. Department of Interior); that the chain of command should have been followed in registering complaints; and that if it happened again they could be reprimanded. Lockwood also spoke and essentially reiterated and expanded on Pfliger's remarks, advising them that writing and corresponding with customers was against their procedures and suggested that they go through supervision or company management with their complaints.⁴

On January 28, 1981, at or about 4 p.m., Pfliger and Lockwood met with the two letter signers employed on the swing shift, Peters and Volk, and told them essentially the same thing with the admonition that if it happened again they would be discharged.

⁴ The applicable provisions found in the employee handbook read:

If you feel you have a legitimate grievance, you should first discuss it with your supervisor. Your supervisor will normally be the person most able to correct the problem. But, after that, if you are not satisfied with your supervisor's action or explanation, you may take your problem to the next level of supervision, and so on up to the General Manager if necessary. It is the company's express wish that no grievance go ignored or unresolved.

Respondent followed up these meetings by giving each a formal written "Notice of Disciplinary Action" dated January 28, 1981, which was placed in their personnel files. The "Description of Offense" portion on all of them reads:

The above named TGS employees wrote a letter to the TGS Contracting Officer complaining of mistreatment and discrimination, which occurred on the afternoons of December 24, 1980 and December 30, 1980, without attempting to resolve their complaint in accordance with the established written company policy; i.e., through the appropriate supervisory/management channels. In this instance, a grievance was not filed against TGS by their union representative prior to their writing this letter to the Contracting Officer.

The "comments" section reads:

The above named employees were orally reprimanded and specifically apprised of the written policy of resolving personnel problems with the immediate supervisor and/or management prior to airing complaints with agencies external to their employer. These employees were specifically advised against contacting the TGS Contracting Officer without following the established policy guidelines.

Pfliger testified that reference to established company policy refers to the above-quoted grievance procedure in the employee handbook. (See fn. 4.)

On February 3, 1981, written 2-day suspension notices were issued to Peters, Traut, Matzke, Volk, and Laughlin for falsely alleging discrimination in the letter to Van Dyke inasmuch as they were not at work on December 24 when the discrimination was supposed to have taken place. (G.C. Exhs. 8, 9, 10, 11, and 12.) DeNeui was not at work on either December 24 or December 31 and was therefore given an additional 1-day suspension in addition to the 2 days given to the others (G.C. Exh. 6); the theory being that since they were not physically present on these days they could not have been discriminated against as they represented in the letters to Van Dyke and Menard.

During the period of the suspensions, which began on February 4, 1981, a meeting of Photo Lab employees was held at which the employees were advised by Lockwood that it was against company policy to write letters of complaint to the Department of the Interior, or any customer of Respondent, and that such activity would result in disciplinary action, if not termination.

3. Threat to withhold wage increase

On or about February 9, 1981, Brent Nelson, a supervisor in the Photo Lab, approached Edward Peters, his supervisee, and told him that he obviously would not be getting a promotion because he had two reprimands against him, an apparent reference to the written disciplinary actions of January 28 and February 3. Peters testified that he was shocked and made no response. Nelson did not testify. The record discloses that Peters received

a raise on October 27, 1980, a productivity raise on March 30, 1981, and an annual raise on July 1, 1981.

4. The no-solicitation rule

Respondent's no-solicitation rule, as it appears in the employee handbook, reads: "No solicitations by employees for either business or political purposes is allowed." The complaint alleges, and the answer admits, the maintenance and enforcement of this rule, however, the record is silent as to the manner in which the rule may have been maintained or enforced.

B. Analysis and Recommendations

1. Allegations of discrimination

It is the position of the General Counsel that when the members of the employee committee wrote to Van Dyke and Menard alleging discriminatory treatment on December 24 and 31, 1980, that they were engaged in protected activity, and that when Respondent disciplined them for having written these letters, Respondent discriminated against them in violation of Section 8(a)(1) of the Act.

Respondent in its briefs concedes that the actions of the employees were concerted, but takes the position, *inter alia*, that the letter-writing was not protected since the representations made therein were false, and were an attempt to discredit Respondent and create a problem for Respondent with its customer, the Department of the Interior.

As a general position, the Board and the courts have found that communications made to regulatory bodies complaining about conditions of employment are protected activity. In the instant case, the complaints clearly dealt with working conditions, and they were made to a customer of Respondent. The Board has applied essentially the same criteria to complaints made to an employer's customer, except when the communication disparages the employer's product or operation. In the instant case, the letter alleged discriminatory treatment by Respondent as to Christmas parties and in granting time off on New Year's Eve. The record herein, while it does not establish the accuracy of these allegations, does not show any deliberate attempt to mislead or misrepresent in any material way the operation of the Employer. It is not controlling that representations in the letters may have been inaccurate. It is sufficient that the contentions made therein dealt with working conditions, as they did, and were not malicious or intended to unfairly disparage either Respondent's product or operations. *Tyler Business Services, Inc.*, 256 NLRB 567 (1981); *Allied Aviation Service Company of New Jersey, Inc.*, 248 NLRB 229 (1980).

Respondent also contends that discipline of the nine employees was justified since it was based on its belief that at the time it took the disciplinary measures it believed that the employee signatories were acting as individuals. However, a reading of the letter itself discloses that it was a joint undertaking, by all the named signatories, to advise Van Dyke and Menard of what they, collectively, perceived as discriminatory treatment. The activity in writing and sending the letter was concerted

and cannot be viewed as the individual act of each individual signatory. Respondent also contends that this case is distinguishable since the letters were actually complaints about the actions, not of Respondent, but of the Department of the Interior, specifically Watkins and his memo of December 10, 1980. At the same time, Respondent argues, somewhat inconsistently, that its discipline was justified because the complaints were made to Department of the Interior officials who had no authority to assist them. Suffice to say in this regard that the record discloses that, in addition to Watkins' authority, there also exists the customary indicia of the employer-employee relationship to enable Respondent to respond to the contention of discrimination alluded to in the letter. .

In summary, I conclude that despite the failure of the General Counsel to show that the actual events supported the allegations of discrimination contained in the letter, the employee committee members signing the letter were engaged in protected concerted activity. Accordingly, the disciplinary action taken by Respondent in issuing written disciplinary warnings and suspensions violated Section 8(a)(1) of the Act.⁵

Further, to the extent that Respondent is maintaining, interpreting, and enforcing a work rule so as to preclude employees from exercising their rights to protest working conditions without first exhausting intracompany channels, such work rule violates Section 8(a)(1) of the Act.

Also, by warning the Photo Lab employees that they were subject to disciplinary action for engaging in the protected activity of protesting working conditions, Respondent violated Section 8(a)(1) of the Act.

3. Threat to withhold a wage increase

The un rebutted testimony of Peters is that he was told by his immediate supervisor, Brent Nelson, that, because of his reprimands and suspension related to the letter, he would not be getting a promotion. As set about above, the two reprimands alluded to by Nelson were themselves unlawful. By telling Peters that he was being denied a raise because he had been unlawfully reprimanded, Respondent compounded the coercion, and this threat was itself coercive within the meaning of Section 8(a)(1) of the Act. The fact that the threat may not have been acted upon is immaterial.

4. No-solicitation rule

The no-solicitation rule in the instant case, as written, specifically prohibits solicitations by employees for "either business or political purposes." The threshold question is whether or not the rule restricts any type of solicitation which can fairly be viewed as restricting the union or protected activity of employees. In the instant case the prohibition runs only to solicitations for "business or political" purposes, neither of which can be

deemed protected activity, at least in the absence of evidence that the rule was unlawfully applied. The record herein is wholly insufficient to support such a conclusion. Accordingly, this allegation of the complaint must be dismissed.

IV. THE EFFECT OF THE UNFAIR LABOR PRACTICES UPON COMMERCE

The activities of Respondent, as set forth in section III, above, occurring in connection with Respondent's operations described in section I, above, have a close and intimate relationship to trade, traffic, and commerce among the several States and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce.

V. THE REMEDY

Having found that Respondent has engaged in and is engaging in unfair labor practices, I shall recommend that it cease and desist therefrom and take certain affirmative action designed to effectuate the policies of the Act. I have found that Respondent suspended Rick E. Laughlin, Diane K. Matzke, Irene M. DeNeui, Edward E. Peters, Daniel W. Traut, and Donald A. Volk for reasons which offended the provisions of Section 8(a)(1) of the Act. I shall therefore recommend that Respondent make them whole for any loss of pay which they may have suffered as a result of this discrimination practiced against them. The backpay provided herein, with interest thereon, to be computed in the manner prescribed in *F. W. Woolworth Company*, 90 NLRB 289 (1950), and *Florida Steel Corporation*, 231 NLRB 651 (1977).⁶

CONCLUSIONS OF LAW

1. Respondent is an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

2. The Union is a labor organization within the meaning of Section 2(5) of the Act.

3. By interfering with, restraining, and coercing employees in the exercise of the rights guaranteed them in Section 7 of the Act, Respondent has engaged in and is engaging in unfair labor practices proscribed by Section 8(a)(1) of the Act.

4. By unlawfully suspending Rick E. Laughlin, Diane K. Matzke, Irene M. DeNeui, Edward E. Peters, Daniel W. Traut, and Donald A. Volk, Respondent engaged in unfair labor practices within the meaning of Section 8(a)(1) of the Act.

Upon the foregoing findings of fact and conclusions of law, and the entire record, and pursuant to Section 10(c) of the National Labor Relations Act as amended, I hereby issue the following recommended:

ORDER⁷

The Respondent, Technicolor Graphic Services, Inc., South Dakota Operations, its officers, agents, successors, and assigns, shall:

⁵ As noted earlier, the signatories were acting collectively on behalf of the employees in the Photo Lab and the fact that some of them were not present at work when the alleged Respondent discrimination took place does not render unprotected their protests on behalf of the employees they were representing.

⁶ See, generally, *Isis Plumbing & Heating Co.*, 138 NLRB 716 (1962).

⁷ In the event no exceptions are filed as provided by Sec. 102.46 of the Rules and Regulations of the National Labor Relations Board, the find-

Continued

1. Cease and desist from:

(a) Maintaining, interpreting, or enforcing work rules so as to preclude employees from engaging in protected concerted activities.

(b) Orally reprimanding employees because of their protected concerted activity.

(c) Issuing written warnings to employees because of their protected concerted activity.

(d) Suspending employees because of their protected concerted activity.

(e) Advising employees that other employees have been disciplined because they engaged in protected concerted activity.

(f) Threatening to withhold pay increases from employees because of their protected concerted activity.

(g) In any like or related manner interfering with, restraining, or coercing employees in the exercise of their rights guaranteed in Section 7 of the Act.

2. Take the following affirmative action which I find necessary to effectuate the policies of the Act:

(a) Rescind and expunge from Respondent's records the written warnings and notices of disciplinary action as to Larry C. Wade, Daniel Traut, Brian Berg, Richard C. Wiese, Donald A. Volk, Edward E. Peters, Irene M. DeNeui, Diane K. Matzke, and Rick E. Laughlin.

ings, conclusions, and recommended Order herein shall, as provided in Sec. 102.48 of the Rules and Regulations, be adopted by the Board and become its findings, conclusions, and Order, and all objections thereto shall be deemed waived for all purposes.

(b) Make Rick E. Laughlin, Diane K. Matzke, Irene M. DeNeui, Edward E. Peters, Daniel W. Traut, and Donald A. Volk whole for any loss of pay which they may have suffered as a result of the discrimination practiced against them, in the manner set forth in the section of this Decision entitled "The Remedy."

(c) Preserve and, upon request, make available to the Board or its agents, for examination and copying, all payroll records, social security records and reports, and all other records necessary to analyze the amounts of backpay due herein.

(d) Post at its facilities in Sioux Falls, South Dakota, copies of the attached notice marked "Appendix."⁸ Copies of said notices, on forms provided by the Regional Director for Region 18, after being duly signed by Respondent's authorized representatives, shall be posted by them immediately on receipt thereof, and be maintained by them for 60 consecutive days thereafter, in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps shall be taken to ensure that said notices are not altered, defaced, or covered by any other materials.

(e) Notify the Regional Director for Region 18, in writing, within 20 days from the date of this Order, what steps have been taken to comply herewith.

⁸ In the event that this Order is enforced by a Judgment of a United States Court of Appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."